

Consolidated Financial Statements
(For the Third Quarter of FY2023)

Consolidated Balance Sheets

(Millions of Yen)

	FY2022	Current Third Quarter
	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets:		
Cash and deposits	33,156	24,343
Notes receivable, accounts receivable from completed construction contracts and other	142,296	148,750
Real estate for sale	1,081	1,075
Costs on construction contracts in progress	2,612	4,226
Costs on real estate investment, development business and other	982	793
Work in process	696	1,775
Raw materials and supplies	92	338
Other	11,248	15,039
Allowance for doubtful accounts	(152)	(166)
Total current assets	192,014	196,176
Non-current assets:		
Property, plant and equipment:		
Land	34,666	34,666
Other, net	38,709	42,307
Total property, plant and equipment	73,376	76,974
Intangible assets:		
Goodwill	408	386
Other	724	1,259
Total intangible assets	1,132	1,645
Investments and other assets:		
Investment securities	56,629	54,940
Retirement benefit asset	5,076	5,047
Other	6,074	8,466
Allowance for doubtful accounts	(1,956)	(1,946)
Total investments and other assets	65,825	66,507
Total non-current assets	140,334	145,127
Total assets	332,348	341,303

(Millions of Yen)

	FY2022	Current Third Quarter
	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities:		
Notes payable, accounts payable for construction contracts and other	51,328	51,203
Short-term borrowings	9,480	19,346
Income taxes payable	1,656	1,374
Advances received on construction contracts in progress	11,536	8,836
Provisions	4,354	1,808
Provision for loss on construction contracts	973	1,370
Asset retirement obligations	83	84
Other	47,397	41,408
Total current liabilities	126,810	125,432
Non-current liabilities:		
Long-term borrowings	5,112	5,111
Non-recourse borrowings	21,062	26,439
Asset retirement obligations	90	194
Other	11,846	13,069
Total non-current liabilities	38,112	44,815
Total liabilities	164,923	170,248
Net assets		
Shareholders' equity:		
Share capital	19,838	19,838
Capital surplus	26,240	26,240
Retained earnings	101,710	101,037
Treasury shares	(8,061)	(5,183)
Total shareholders' equity	139,727	141,933
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	24,665	24,530
Deferred gains or losses on hedges	1,099	1,989
Remeasurements of defined benefit plans	1,465	1,171
Total accumulated other comprehensive income	27,229	27,690
Non-controlling interests	467	1,431
Total net assets	167,425	171,055
Total liabilities and net assets	332,348	341,303

Consolidated Statements of Income

(Nine-month Period Ended December 31)

(Millions of Yen)

	3Q / FY2022 April 1, 2021 through December 31, 2021	3Q / FY2023 April 1, 2022 through December 31, 2022
Net sales:		
Net sales of completed construction contracts	165,218	169,351
Net sales of real estate investment, development business and other	9,071	7,457
Total net sales	174,290	176,809
Cost of sales:		
Cost of sales of completed construction contracts	144,280	149,507
Cost of real estate investment, development business and other	5,884	4,622
Total cost of sales	150,165	154,130
Gross profit:		
Gross profit on completed construction contracts	20,938	19,843
Gross profit on real estate investment, development business and other	3,186	2,835
Total gross profit	24,124	22,679
Selling, general and administrative expenses	13,534	13,840
Operating profit	10,590	8,838
Non-operating income:		
Interest income	24	22
Dividend income	1,167	1,160
Other	475	273
Total non-operating income	1,666	1,456
Non-operating expenses:		
Interest expenses	288	392
Other	27	31
Total non-operating expenses	315	424
Ordinary profit	11,941	9,870
Extraordinary income:		
Gain on sale of investment securities	1,183	2,246
Other	0	18
Total extraordinary income	1,184	2,265
Extraordinary losses:		
Loss on valuation of investment securities	6	18
Loss on retirement of non-current assets	3	5
Total extraordinary losses	9	24
Profit before income taxes	13,116	12,111
Income taxes - current	3,449	3,186
Income taxes - deferred	941	858
Total income taxes	4,390	4,044
Profit	8,725	8,066
Loss attributable to non-controlling interests	(414)	(406)
Profit attributable to owners of parent	9,140	8,472

Consolidated Statements of Comprehensive Income

(Nine-month Period Ended December 31)

(Millions of Yen)

	3Q / FY2022 April 1, 2021 through December 31, 2021	3Q / FY2023 April 1, 2022 through December 31, 2022
Profit	8,725	8,066
Other comprehensive income:		
Valuation difference on available-for-sale securities	(5,436)	(135)
Deferred gains or losses on hedges	2,389	1,779
Remeasurements of defined benefit plans, net of tax	(291)	(293)
Total other comprehensive income	(3,338)	1,350
Comprehensive income	5,387	9,416
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	4,606	8,932
Comprehensive income attributable to non-controlling interests	780	483

Breakdown of Orders (Nonconsolidated)

(Millions of Yen)

			3Q / FY2022 April 1, 2021 through December 31, 2021			3Q / FY2023 April 1, 2022 through December 31, 2022			Change Increase (Decrease)	% Change Increase (Decrease)	
				%	%		%	%	%		
Construction orders awarded	Civil engineering	Domestic public sector	45,480	66.1	45.0	28,884	44.3	33.9	(16,595)	(36.5)	
		Domestic private sector	19,018	27.6		23,872	36.6		4,854	25.5	
		Overseas	4,365	6.3		12,489	19.1		8,124	186.1	
		Subtotal	68,864	100		65,247	100		(3,616)	(5.3)	
	Architectural construction	Domestic public sector	15,106	17.9	55.0	12,722	10.0	66.1	(2,384)	(15.8)	
		Domestic private sector	67,765	80.5		115,837	90.9		48,071	70.9	
		Overseas	1,333	1.6		(1,072)	(0.9)		(2,406)	—	
		Subtotal	84,205	100		127,486	100		43,281	51.4	
	Total	Domestic public sector	60,586	39.6	100	41,606	21.6	100	(18,979)	(31.3)	
		Domestic private sector	86,783	56.7		139,710	72.5		52,926	61.0	
		Overseas	5,699	3.7		11,417	5.9		5,717	100.3	
		Total	153,069	100		192,734	100		39,664	25.9	
Net sales	Construction business	Civil engineering	Domestic public sector	44,285	65.6	[40.9]	47,667	69.4	[40.6]	3,381	7.6
			Domestic private sector	20,794	30.8	39.5	17,370	25.3	39.6	(3,424)	(16.5)
			Overseas	2,458	3.6		3,637	5.3		1,179	48.0
			Subtotal	67,538	100		68,675	100		1,136	1.7
	Architectural construction	Domestic public sector	24,194	24.8	[59.1]		19,782	19.6		[59.4]	(4,411)
		Domestic private sector	73,487	75.2	57.1	80,632	80.1	58.0	7,145	9.7	
		Overseas	—	—		260	0.3		260	—	
		Subtotal	97,681	100		100,676	100		2,994	3.1	
	Subtotal	Domestic public sector	68,480	41.4		[100]	67,450		39.8	[100]	(1,029)
		Domestic private sector	94,281	57.1	96.6	98,003	57.9	97.6	3,721	3.9	
		Overseas	2,458	1.5		3,898	2.3		1,440	58.6	
		Subtotal	165,220	100		169,351	100		4,131	2.5	
	Real estate investment, development business and other			5,837		3.4			4,086	2.4	
	Total			171,057	100		173,437	100		2,380	1.4
	Period-end backlog	Civil engineering	Domestic public sector	114,419	57.7	56.8	99,881	50.7	52.1	(14,537)	(12.7)
Domestic private sector			68,735	34.7	72,794		36.9	4,059		5.9	
Overseas			15,009	7.6	24,364		12.4	9,355		62.3	
Subtotal			198,164	100	197,040		100	(1,123)		(0.6)	
Architectural construction		Domestic public sector	48,964	32.5	43.2	43,986	24.3	47.9	(4,978)	(10.2)	
		Domestic private sector	100,451	66.6		137,214	75.7		36,762	36.6	
		Overseas	1,333	0.9		—	—		(1,333)	—	
		Subtotal	150,750	100		181,201	100		30,450	20.2	
Total		Domestic public sector	163,383	46.8	100	143,867	38.0	100	(19,515)	(11.9)	
		Domestic private sector	169,187	48.5		210,009	55.5		40,822	24.1	
		Overseas	16,343	4.7		24,364	6.5		8,021	49.1	
		Total	348,914	100		378,242	100		29,327	8.4	